



## Telecom Decision CRTC 2013-435

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Ottawa, 23 August 2013

### WTC Communications – Application to modify the band assignment for the Westport wire centre

File number: 8663-W3-201307158

*In this decision, the Commission approves, effective 1 January 2013, (i) the reclassification of WTC Communications' Westport wire centre to Band F-1, and (ii) an interim 2013 subsidy per residential network access service amount of \$10.09 for WTC Communications' Band F-1.*

#### Introduction

1. Incumbent local exchange carriers (ILECs) receive a monthly subsidy from the National Contribution Fund for providing residential telephone service in high-cost serving areas (HCSAs). The amount of subsidy paid per month varies by ILEC and rate band.<sup>1</sup>
2. The Commission received an application from WTC Communications, dated 3 May 2013, requesting that the Commission modify the band assignment approved in Telecom Regulatory Policy 2013-160 for its Westport wire centre from Band F-2 to Band F-1, effective 1 January 2013.
3. WTC Communications acknowledged that based upon its 2010 network access service (NAS) information, its Westport wire centre had been appropriately classified in Telecom Regulatory Policy 2013-160 as Band F-2. However, WTC Communications submitted that since January 2012, there had been a steady decline in the wire centre's total NAS count, which currently falls below the 2,500 NAS upper threshold for Band F-1.
4. The Commission received no submissions with respect to this application. The public record of this proceeding, which closed on 10 June 2013, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings" or by using the file number provided above.

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<sup>1</sup> For the small ILECs, a rate band represents a group of exchanges or wire centres with similar characteristics, such as number of lines and remoteness. The small ILEC exchanges or wire centres in Bands E, F-1, F-2, F-3, F-4, and G, as defined in Decision 2001-756, are designated as HCSAs.

## **Commission's analysis and determinations**

5. In Telecom Regulatory Policy 2013-160, the Commission approved wire centre rate band assignments and the interim 2013 subsidy per residential NAS amounts for the small ILECs, including WTC Communications.
6. The Commission considers that based upon the information provided, WTC Communications' Westport wire centre should be classified as Band F-1. The Commission notes that local competition has not yet begun in WTC Communications' operating territory, which means that the NAS information provided by WTC Communications for its Westport wire centre reflects the entire wire centre and not just WTC Communications' portion of the wire centre.
7. Accordingly, the Commission **approves**, effective 1 January 2013, the reclassification of WTC Communications' Westport wire centre to Band F-1.
8. Based upon the small ILEC subsidy calculation formula used to determine the interim 2013 subsidy per residential NAS amounts in Telecom Regulatory Policy 2013-160 and the revised Westport wire centre band assignment, the Commission has calculated that, as a Band F-1 wire centre, WTC Communications' Westport wire centre should receive an interim 2013 subsidy per residential NAS amount of \$10.09 per month, effective 1 January 2013.
9. The Commission **approves on an interim basis**, effective 1 January 2013, an interim 2013 subsidy per residential NAS amount of \$10.09 per month for WTC Communications' Band F-1 Westport wire centre. The Commission directs the Central Fund Administrator to adjust the distribution of monthly subsidy for the Westport wire centre to reflect WTC Communications' interim Band F-1 2013 subsidy per residential NAS amount of \$10.09 per month.

Secretary General

## **Related documents**

- *Regulatory framework for the small incumbent local exchange carriers and related matters*, Telecom Regulatory Policy CRTC 2013-160, 28 March 2013
- *Regulatory framework for the small incumbent telephone companies*, Decision CRTC 2001-756, 14 December 2001